

## Message Text

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PAGE 01 ISLAMA 07978 200425Z

16

ACTION TRSE-00

INFO OCT-01 EA-11 NEA-14 ISO-00 IO-14 PA-04 PRS-01 USIA-15

AID-20 CIAE-00 COME-00 EB-11 FRB-03 INR-11 NSAE-00

RSC-01 XMB-07 OPIC-12 SP-03 CIEP-03 LAB-06 SIL-01

OMB-01 NSC-07 SS-20 STR-08 CEA-02 DRC-01 H-03 L-03

/183 W

----- 122547

R 200330Z AUG 74

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 6349

INFO AMEMBASSY MANILA

AMCONSUL LAHORE

AMCONSUL KARACHI

LIMITED OFFICIAL USE ISLAMABAD 7978

E.O. 11652: N/A

TAGS: EAID, EFIN, PK

SUBJECT: PROPOSED ADB LOANS FOR TARBELA HYDROPOWER  
PROJECT (PAKISTAN)

REF: MANILA 9666

1. WE CONCUR IN USADB RECOMMENDATION FOR FAVORABLE NAC ACTION ON PROPOSED LOANS. RURAL ELECTRIFICATION IS A MAJOR GOP PRIORITY AND THE PRIME MINISTER HAS REPEATEDLY CITED HIS PERSONAL INTEREST THEREIN. THE PROPOSED ADDITIONAL GENERATION CAPABILITY IS ESSENTIAL TO THE SUCCESSFUL IMPLEMENTATION OF THE RURAL ELECTRIFICATION PROGRAM.

2. WAPDA (WATER AND POWER DEVELOPMENT AUTHORITY) HAS ALREADY BEGUN TO DIVEST ITSELF OF RESPONSIBILITY FOR RURAL DISTRIBUTION AND THE REORGANIZATION WHEREBY PROVINCIAL AUTHORITIES WILL ASSUME RESPONSIBILITY FOR THE DISTRIBUTION

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PAGE 02 ISLAMA 07978 200425Z

AND RETAILING OF ELECTRICAL ENERGY THEY WILL PURCHASE FROM

WAPDA ON A WHOLESALE SCALE IS INDEED WELL UNDERWAY.

3. WE AGREE THAT REORGANIZATION WILL ENABLE WAPDA TO PLACE ITSELF ON A SOUNDER FINANCIAL FOOTING AND ENABLE GOP TO CLEARLY SEE WHERE STRUCTURE OF COSTS AND PRICES ARE OUT OF LINE. NOT ONLY ADB BUT IBRD AND PAKISTAN CONSORTIUM GENERALLY HAVE REPEATEDLY POINTED TO PUBLIC ENTERPRISES SUCH AS WAPDA AS PLACES WHERE EFFICIENCY MUST BE IMPROVED AND PUBLIC SAVINGS GAINED.

4. AT SAME TIME WE ARE CONSCIOUS THAT EXTENSION OF DISTRIBUTION TO RURAL AREAS WHICH CURRENTLY ARE INADEQUATELY SERVED (IF AT ALL) WILL RESULT IN CONTINUED FINANCIAL LOSSES DURING THE EARLIER LOWER DEMAND YEARS OF SERVICE TO THOSE AREAS. HOWEVER THE REORGANIZATION WILL PERMIT THE GOP TO CLEARLY IDENTIFY THE SECTORS AND GROUPS RECEIVING SUCH SUBSIDIES. WITH WAPDA CONTINUING TO PROVIDE WHOLESALE POWER AND PERFORMANCE THEREBY SERVING LARGE INDUSTRIAL USERS DIRECTLY, THE SUBSIDIES TO THESE WILL BE ELIMINATED UNLESS INDIVIDUALLY JUSTIFIED.  
DECONTROL AUGUST 28, 1974.  
BYROADE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PROCUREMENT, EQUIPMENT, HYDROELECTRIC POWER PLANTS, BANK LOANS, FOREIGN EXCHANGE, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Image Path:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSED ADB LOANS FOR TARBELA HYDROPOWER PROJECT (PAKISTAN)  
**TAGS:** EAID, EFIN, PK, ADB-1  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005